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## **Louisiana Forest Products**

### **Quarterly Market Report**

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Sawlogs cut in Louisiana during the first eleven months of 1975 totaled 883,003,000 board feet. This volume represents a decrease of almost 21 percent compared with the same period a year ago and is about 15 percent below the previous five-year average.

Pulpwood harvest through November totaled 2,674,000 cords. Harvest at this date ran 21.5 percent below the previous year but was only 5.6 percent below the 1969-73 average. An additional 7,558,000 board feet of sawtimber and 19,569 cords of pulpwood were severed under reforestation contracts.

MARKET SUMMARY, FOURTH QUARTER 1975

Stumpage prices paid for pine sawlogs averaged \$84.40 per thousand board feet. This price represents a decline of \$1.05 from the previous quarter but is \$4.50 more than the state average of a year earlier. Hardwood prices were mixed : firm for most species.

Pole prices were generally lower with significant declines indicated for all classes of forty-fives and above.

Pulpwood stumpage was priced at \$6.40 and \$2.75 per cord for pine and mixed hardwood respectively.

Wood Chips averaged \$11.10 per ton for pine and \$9.80 for hardwood, F.O.B. sawmill.

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During the October-December quarter, the following U.S.D.A. Forest Service Sales for Kisatchie National Forest were reported:

SAWLOGS			PULPWOOD	
Specie	MBF 1/	Ave. Price	Cords	Ave. Price
		Dollars/MBF		Dollars/Cord
Syp	11,090	111.63	10,752	6.57
Mx. Hdwd.	319	23.70	2,211	2.88

Note: Salvaged sales are excluded in above data.

1/ Scribner-Decimal "C" Rule.

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STATE AVERAGE								
3. Pulpwood, Per Cord:	Area 1 (Dollars)	Area 2 (Dollars)	Area 3 (Dollars)	Area 4 (Dollars)	Area 5 (Dollars)	Same		
						Oct.-Dec. 1975	Previous Quarter	Period Year Ago
Pine, Stumpage	7.00	5.65	6.20	4.70	<u>1/</u>	6.40	6.55	6.25
Pine, FOB Car	30.35	<u>1/</u>	30.30	<u>1/</u>	<u>1/</u>	29.90	29.15	29.05
Hardwood, Mixed Stumpage	2.75	3.00	2.60	2.80	<u>1/</u>	2.75	2.85	2.55
Hardwood, Mixed FOB Car	27.50	<u>1/</u>	27.50	<u>1/</u>	<u>1/</u>	27.40	26.00	25.30

1/ Insufficient number of quotes to report on area basis but included in Statewide average.  
 Note: The Doyle log scale is basis for board feet measurement.

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If you sold timber this year, be sure you don't pay more Federal income tax than the law requires. Income from timber is usually considered a long term capital gain and is taxed at one-half your normal rate. Plus a depletion deduction may be available to further reduce your taxes. Check with your county agent, Louisiana Forestry Commission, a consulting forester, qualified tax consultant, the Internal Revenue Service, or the Soil Conservation District Office.

P.S. If you have failed to report your timber income properly in the last three years, you may still have time to file an amended tax form and seek reimbursements.

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AVERAGE PRICES PAID TO LOUISIANA TIMBER PRODUCERS BY TYPES OF INDUSTRIES, OCT.-DEC., 1975  
WITH COMPARISONS

Forest Service Sales are excluded from following reported prices

						STATE AVERAGE		Same	
						Oct.-Dec. 1975	Previous Quarter	Period	
(A)	Sawlogs (Stumpage)	Area 1 (Dollars)	Area 2 (Dollars)	Area 3 (Dollars)	Area 4 (Dollars)	Area 5 (Dollars)	(Dollars)	(Dollars)	(Dollars)
	Pine M.Bd.Ft.	86.90	98.80	81.55	75.95	1/	84.40	85.45	79.90
	Cypress "	34.00	48.75	35.00	42.50	31.00	37.75	43.05	40.05
	Oaks "	33.40	38.75	32.80	42.50	32.00	34.95	33.40	34.45
	Gums "	33.45	40.00	33.55	42.50	34.00	36.40	35.55	37.70
	Willow "	32.00	36.25	1/	43.75	32.00	34.75	34.20	34.45
	Ash "	34.00	58.75	33.35	1/	42.00	44.50	45.85	42.90
	Cottonwood "	34.00	42.50	1/	43.75	35.00	38.00	36.25	36.50
	Mixed Hardwoods"	32.50	44.00	30.65	40.00	32.00	35.20	34.25	32.75
(B)	Sawlogs (Delivered)								
	Pine M.Bd.Ft.	124.30	133.00	119.25	115.85	1/	122.20	122.25	114.85
	Cypress "	78.00	97.50	81.25	86.25	76.00	84.40	87.00	83.55
	Oaks "	75.25	87.45	73.40	86.25	75.00	79.35	76.95	76.50
	Gums "	78.55	91.65	77.50	85.00	77.00	82.35	80.30	84.30
	Willow "	75.00	85.85	1/	87.50	74.00	79.30	78.95	79.10
	Ash "	80.00	104.15	73.35	1/	83.00	89.10	91.75	85.75
	Cottonwood "	78.00	91.65	1/	87.50	79.00	83.40	83.55	80.45
	Mixed Hardwoods"	77.15	92.85	75.25	85.00	76.00	81.15	78.25	78.50
Poles, Barkv (FOB Plant or Concentration Point) - Each -									
30-Ft.	Class	5	9.00	1/	8.65	1/	1/	8.75	9.35
	"	6	7.50	1/	7.15	1/	1/	7.30	7.85
	"	7	5.80	1/	5.60	1/	1/	5.70	5.80
35-Ft.	Class	4	13.90	1/	13.95	1/	1/	13.95	15.05
	"	5	12.40	1/	11.75	1/	1/	12.15	13.20
	"	6	9.65	1/	9.55	1/	1/	9.65	10.35
	"	7	7.10	1/	7.85	1/	1/	7.40	7.70
40-Ft.	Class	2	25.40	1/	26.05	1/	1/	25.65	26.70
	"	3	21.35	1/	22.25	1/	1/	21.75	23.60
	"	4	17.70	1/	17.80	1/	1/	18.00	19.30
	"	5	15.65	1/	15.20	1/	1/	15.65	16.90
	"	6	11.95	1/	11.90	1/	1/	11.95	12.65
45-Ft.	Class	2	31.90	1/	31.70	1/	1/	31.80	33.35
	"	3	25.45	1/	26.80	1/	1/	26.00	28.00
	"	4	21.25	1/	22.30	1/	1/	21.90	23.35
	"	5	18.85	1/	19.40	1/	1/	19.25	20.60
50-Ft.	Class	2	36.65	1/	36.75	1/	1/	36.70	38.55
	"	3	31.05	1/	31.15	1/	1/	31.30	32.80
	"	4	25.80	1/	26.70	1/	1/	26.20	26.95
55-Ft.	Class	2	43.10	1/	42.95	1/	1/	43.00	46.60
	"	3	36.30	1/	36.35	1/	1/	36.75	38.00
	"	4	35.75	1/	32.05	1/	1/	33.90	37.85
60-Ft.	Class	2	49.95	1/	49.90	1/	1/	49.90	54.95
	"	3	43.05	1/	42.40	1/	1/	43.90	48.35
65-Ft.	Class	2	57.55	1/	56.75	1/	1/	57.20	63.25
	"	3	47.95	1/	49.25	1/	1/	48.50	56.85
70-Ft.	Class	2	65.65	1/	65.05	1/	1/	65.40	76.00
	"	3	57.25	1/	1/	1/	1/	59.75	67.65
75-Ft.	Class	2	77.05	1/	1/	1/	1/	79.55	89.55
	"	3	67.40	1/	1/	1/	1/	69.97	75.55
80-Ft.	Class	2	90.60	1/	1/	1/	1/	92.70	99.20
	"	3	76.85	1/	1/	1/	1/	79.40	84.45

Slump in Timber Prices, Supply May Have Bottomed Out for State

Louisiana timberland owners sold less timber for lower prices during the first six months of this year, says Dr. Alden Main, forester with the LSU Cooperative Extension Service, but the future looks a bit brighter.

A 41 percent decline in landowner receipts was noted during the first half of 1975 as compared with the first six months of 1974, which was a drop of \$25 million, Main adds.

"This decrease could mean an overall loss of some \$550 million, and if the trend continues through the rest of the year, the total loss for 1975 could be in excess of \$1 billion," Main says.

Main notes that the problem has been one of both price and supply. Prices paid landowners for pine saw timber fell some 18 to 28 percent from the first half of 1974. Hardwood saw timber prices were down some 2 to 12 percent from a year prior. Pulpwood prices were mixed, with some areas of the state showing increases, and other areas recording a drop in prices from 1974.

The amount of wood also decreased, Main says. During the first half of 1974, Louisiana forest land produced 1.1 million board feet of lumber, enough to build 1,100 average size houses. Over the first six months of 1975, harvest was down 30 percent.

Pulpwood harvests were also down during the January-June period this year. Pulpwood loggers cut about 600,000 cords less than last year's first six months. That was about 48 percent of 1974 production for the same period.

Main attributes the decrease in harvest to a general slowdown in housing construction and the overall economic slump. Residential houses use half of the saw timber-size materials harvested. The pulp and paper industry is affected by this economic slowdown also.

However, future production and income should be on the upswing, Main believes. He notes that the National Association of Home Builders says, "The long-awaited housing recovery is underway. Housing starts in July were the highest monthly rate in a year."

Main notes that it may take awhile before landowners begin to see marked increases in prices, however, because of back inventories of logs and processed wood products.

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